# City of Blaine
# City Council Workshop

March 10, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

## MINUTES

**NOTICE OF WORKSHOP MEETING**
In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

### 1. Call to Order

The meeting was called to order by Mayor Pro Tem Robertson at 5:33PM.

### 2. Roll Call

**PRESENT:** Mayor Pro Tem Robertson, Councilmembers Fleming, Ford, Massagolia and Newland

**ABSENT:** Mayor Sanders and Councilmember Larson

**ALSO PRESENT:** City Manager Michelle Wolfe; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; Director of Administration Scott Johnson; and City Clerk Cathy Sorensen

### 3. New Business

**3.1.** 2025-48 Blaine City Manager Recruitment Process
*Sponsors: Scott Johnson, Director of Administrative Services*

Director of Administration Johnson provided an update on the upcoming city manager recruitment process. It was noted staff worked with the city attorney to put together the contract with the top firm based on council direction at the March 3, 2025, workshop. The top firm was invited to attend this workshop to meet with the city council virtually. This will give the city council the opportunity to discuss the process, timelines, and the type of candidates for the position the city council would like to attract. Going forward, the firm would report to the city council on milestones for the recruitment.

Debra Stapleton, SGR representative, introduced herself to the council and stated she was honored to be working with the City of Blaine. She commented on the approach SGR would be taking throughout the recruitment process. She described why SGR was different, noting she would remain in constant contact with the city and applicants. She indicated the recruitment brochure would be key in attracting qualified candidates for the city manager position. She noted she met with Mr. Johnson recently and has begun the process of updating the city's brochure. She stated she was interested in learning more about the opportunities and priorities of the council for this candidate moving forward. In addition, she wanted to better understand what the council's vision was for an ideal candidate. She reported she would be conducting stakeholder interviews with the council in order to find commonalities and threads in order to craft the council's opportunities and priorities.

Mayor Pro Tem Robertson reported the council has not had the chance to have an in depth conversation with the city attorney regarding council/staff roles and supported having this meeting, after which council could provide further direction to SGR. Ms. Stapleton thanked council for this feedback then provided the council with further information on the process and timeline she would follow throughout the recruitment process. It was noted it may be difficult to have a new city manager in place by June when City Manager Wolfe retires.

Mayor Pro Tem Robertson requested further information regarding when the stakeholder interviews would be held. Ms. Stapleton estimated the stakeholder interviews would take 35 to 40 minutes to complete and noted she had availability the last week in March for these interviews with the city council.

Councilmember Fleming asked how the city would be affected if a new city manager was not in place when City Manager Wolfe retired in June. City Manager Wolfe reported the council would appoint someone to serve as the interim city manager. She recommended the council hold a discussion on this topic at an upcoming worksession meeting.

Councilmember Newland commented on the recruitment brochure and asked that this document be forwarded to the city council. Mr. Johnson indicated he would forward the 2019 recruitment brochure to the council for their review.

Councilmember Newland inquired if SGR had recruitment contracts with Woodbury or Bloomington who were both currently recruiting city manager positions as well. Ms. Stapleton reported she did not have contracts with Woodbury or Bloomington but noted it would not be uncommon for applicants to apply to numerous cities. She commented further on how important it was to keep the recruitment process moving along when pursuing top candidates.

Councilmember Newland asked how many candidates the city could anticipate receiving for this position. Ms. Stapleton stated this would be difficult to determine but noted she went through a recent process in Kansas that resulted in 45 applicants.

Councilmember Newland questioned if the council would be able to look at the backgrounds of all the candidates. Ms. Stapleton indicated the council would be able to briefly review the backgrounds of all of the candidates from a high level and the semi-finalists would include resumes.

Councilmember Newland inquired how many candidates would be brought forward as finalists. Ms. Stapleton reported five candidates was typically a good number but stated this would depend on the candidates the city received.

Councilmember Massoglia asked how many of the candidates would be from outside the region. Ms. Stapleton explained this would be a national search and the council should expect candidates from throughout the region and nation.

Mayor Pro Tem Robertson stated she looked forward to reviewing the recruitment brochure and encouraged each of the councilmembers to review this document and provide staff with feedback. Mr. Johnson reported City Attorney Loonan was working to finalize the agreement with SGR and noted he would forward the recruitment brochure to the city council for further review.

**3.2.** 2025-49 McKinstry Presentation - City of Blaine Utility Cost Savings Potential
*Sponsors: Scott Johnson, Director of Administrative Services*

Mr. Johnson stated McKinstry will present their findings to the city council on potential utility cost-saving projects for the city through guaranteed utility savings contracts and grant funding. Some of the projects are needed improvements to our facilities. Partnering with McKinstry will help save general fund, facilities fund and utility fund dollars. Staff spoke to other cities/counties who have worked with McKinstry. McKinstry has followed through with the projects and they have been successful with the guaranteed utility savings contracts and grant funding option. Timing is important with McKinstry. We do not know if the grants and other funding sources McKinstry uses for financing projects will be available in 2026. Staff has been working with McKinstry over the last several months to see what projects are feasible to help the city save future energy costs, lighting costs, and save money with updated operations and maintenance systems.

John Neville, Regional Director for McKinstry, thanked staff for their work on this project then discussed how he walked through each of the city's facilities with staff members in order to consider cost saving measures the city could pursue. He commented on how his firm was growing as more and more companies were pursuing energy efficiency and savings options. He then reviewed the comprehensive energy savings and utility savings project from McKinstry that would allow the city to reduce the dollars being spent on facilities and utilities. He explained his firm provides guaranteed results and prices for their clients. He commented further on the preliminary savings the McKinstry plan would bring to the city. He discussed how utility rates were anticipated to rise in the coming years and stated the proposed plan would bring about a 10% savings for the city on its energy costs.

Adam Seidel, Account Executive for McKinstry and Bob Long, Project Consultant for McKinstry, introduced themselves to the council and explained further what types of projects could be done.

Ms. Wolfe commented on the rooftop solar that was proposed for water treatment plant 4, noting the payback would be approximately 30 years. Mr. Neville stated he would be pursuing options that had a 20-year payback, which was a requirement per state statute. He explained if the council wanted to move forward with the McKinstry plan, the next step would be an investment grade audit. He estimated the audit would cost the city $83,000.

Councilmember Newland asked what McKinstry would be building on the city's behalf. Mr. Neville reported solar would be installed at water treatment plant 4, HVAC upgrades across various city facilities, new building automation controls along with lighting upgrades.

Councilmember Newland questioned what the timeline would be for this type of project. Mr. Neville estimated the project could be completed in six to twelve months.

Councilmember Newland inquired if Connexus would be partnering with the city on the solar project. Mr. Neville stated Connexus had rebates and incentives for solar projects. He noted the water treatment plant currently had a back up generator that Connexus would like to tap into to assist with providing energy during peak time periods.

Councilmember Newland stated he would be interested in tax free lease versus bonding for this project. Mr. Long commented further on how a tax free lease would benefit the city to finance the proposed energy improvements.

Councilmember Ford asked how many buildings or facilities the city had. Mr. Neville explained the city had 14 buildings.

Councilmember Ford inquired if all the city's light bulbs would be switched over to high-efficiency LEDs. Mr. Neville reported this was the case noting controls would also be added for greater efficiency.

Councilmember Massoglia indicated he was surprised by the fact the city was looking at this type of assessment and questioned why the city was not pursuing energy efficient lighting already. He reported he was not interested in bonding for this project even if it meant 20 years of savings. He appreciated the proposed cost-savings measures, but noted there were a lot of companies that do this type of work and he supported moving forward on a case-by-case approach.

Mr. Johnson stated staff could work at this a little at a time but noted not little progress would be made. He reported the McKinstry approach would require no bonding and would move the city towards real savings in a more meaningful manner.

Finance Director Zimmerman commented further on how the energy efficiency improvements and tax free leases would cover the expense of the utility improvements. Mr. Neville reported this project would be budget neutral and all lease payments would be covered by energy savings. In addition, he noted the cost savings were guaranteed.

Mayor Pro Tem Robertson stated she understood Councilmember Massoglia's concerns, noting the council was very concerned when it came to new costs at this time. She questioned what the main energy drains were for the city.

Councilmember Ford explained he appreciated the proposed cost savings noting a great deal would be done for the city for $1.4 million. He discussed how much it would cost the city to pursue all of these energy efficiency measures individually, noting this would cost more in staff time and dollars in the long run. He stated he supported the city moving forward with the McKinstry project because it would save the city money in the long run.

Mr. Neville commented on how moving forward with the McKinstry plan would provide the city with actionable and guaranteed savings.  Mr. Long provided the council with further information on cities that have successfully completed an energy savings plan, noting that in some cases, the cost savings came back in higher than predicted.

Councilmember Fleming stated she really liked the proposed plan because it would free up facilities staff to do other things. She reported the city would not be out any money, but rather would save taxpayers money in the long run.

Mr. Neville discussed the tax incentives that were built into the 2025 tax code that would benefit the city. He commented he was uncertain what the benefits would be in 2026.

Ms. Wolfe commented on how this work required a specialized pool of engineers. She indicated she had come to this project with a healthy dose of skepticism because it sounded too good to be true, however, after seeing the savings the city could receive and due to the fact the project could be completed through tax free leases, she was willing to bring this forward to the council for consideration. She commented she also appreciated the fact the cost savings would be guaranteed for the city.  She explained city staff does not have the technical expertise to take on a project of this magnitude. Mr. Zimmerman explained the proposed leases would be long term and would not be a line item on the city's debt levy.

Mayor Pro Tem Robertson asked if there was consensus to move this item forward. She explained she had too many questions to be a yes at this time.

Councilmember Massoglia indicated he appreciated the idea of this project, but stated he needed to further understand the math. He was of the opinion that the city's facility staff members had the expertise to move a number of these items forward without needing a consultant.

Councilmember Newland stated he was in the middle right now and would need more time to digest this project before moving it forward.

Council consensus was to continue to discuss this project and direct staff to speak further with McKinstry and report back on this project at a future workshop meeting.

**3.3.** 2025-50 2026 Budget Schedule

*Sponsors: Jason Zimmerman, Finance Director*

Finance Director Zimmerman stated at the February 10 city council workshop, staff presented a review of the 2025 budget process with suggestions to improve the process going forward. As part of those discussions, the development of a budget schedule was determined to be worthwhile for several reasons, as it provides a structured and organized approach to the complex budgeting process. In essence, a budget schedule is a vital tool for local governments to effectively manage their finances, ensure accountability, and promote transparency.  Staff reviewed the proposed timeline and process that would be followed for the 2026 budget in further detail with the council.

Councilmember Newland explained he supported the proposed schedule, noting he would like to avoid things unraveling at the 11th hour. Mr. Zimmerman indicated he would be working with the council to identify themes in April to begin the budget planning process.

Mayor Pro Tem Robertson questioned if there were any unanticipated or new expenses that would throw the budget off for the coming year. Mr. Zimmerman stated there was some concern with union negotiations for police and public works.

Councilmember Massoglia explained he supported the proposed budget timeline, but he supported the council holding bigger policy discussions in order to properly prepare for the budget cycle. Mr. Zimmerman commented the proposed timeline would allow for conversations between staff and the council.

**3.4.** 2025-51 Proposed Mobile Food Truck Ordinance/Special Event License Amendments

*Sponsors: Cathy Sorensen, City Clerk*

City Clerk Sorensen stated at the January 6, 2025, workshop, staff presented some possible code amendments to both food trucks and special events sections of the code as well as process changes that could address some of the concerns raised in 2024 surrounding food trucks, inspections, and special events. Council asked staff to share the proposed amendments with current registered food truck vendors for their input and return with their feedback for any changes. Of the almost 80 food truck vendors, staff received feedback from eight vendors who shared their preference that the city not implement licensing or fire inspections due to the increased cost to their businesses. On February 7, staff met with Chris Page, formerly of PJ's Grill Food Truck and active in the Minnesota Food Truck Association, to provide feedback on an alternative that staff is offering for council consideration which could more quickly create a fire inspection/licensing program at a lower cost to the food truck vendors. Staff reviewed the process that was being proposed in further detail and requested feedback from the council on how to proceed.

Assistant Community Development Director Sellman asked if the council supported the parking of food trucks on farm residential properties and questioned if food trucks should be considered a home occupation.

Mayor Pro Tem Robertson reported she supported the proposed parking requirements. She indicated she did not view food trucks as a home occupation because food trucks were brought elsewhere for use.

Councilmember Massoglia discussed how there were two ice cream trucks in his ward and noted he could support these types of food trucks being parked in driveways during the summer months. Ms. Sorensen reported ice cream trucks have a separate vending license process. She indicated the ordinance language could be amended to allow for vending trucks to be parked in residential neighborhoods while only allowing food trucks in farm residential.

Safety Services Director/Police Chief Podany encouraged the council to keep the parking language simple for enforcement purposes with the understanding the city will continue to receive complaints from residents.

Councilmember Fleming indicated she supported food truck owners being able to park on their residential property. She believed an RV was no different than a food truck. Ms. Sellman explained R-1 lots are to be used residentially, noting food trucks and trailers were being used for business purposes.  Ms. Wolfe reported property values can be impacted if business vehicles, vans food trucks and large trailers were parked in driveways.

Mayor Pro Tem Robertson commented there may be a reasonable expectation for neighbors to be able to look outside a window without an obstructed view.

Council consensus was to support the food truck language as proposed by staff.

**3.5.** 2025-52 National Sports Village Signage Discussion

*Sponsors: Sheila Sellman, Assistant Community Development Director*

Ms. Sellman stated in January, the applicant applied for an ordinance amendment to increase signage.  The request was to increase wall signage from 150 square feet to 300 square feet of total building signage and an additional wall sign. In addition, increasing the monument signage from 15 square feet to 45 square feet.  The council approved an ordinance amendment to allow for more signage on the south side of 105th Avenue, which increased the maximum building signage to 200 square feet and allowed for an additional wall sign per building. The council did not increase the monument signage.  The original ordinance allowed total building signage to have an aggregate area not exceeding one square foot for each foot of building face parallel or substantially parallel to a street lot line with a maximum of 150 square feet for total building signage. Two signs per business that must be one wall sign and either a three-dimensional sign, projecting sign, or awning sign with a maximum of 150 square feet per building.  Freestanding signage is limited to one monument sign 15 square feet in area, which is intended to be a development identification sign, and not the typical monument signage used to identify businesses. The monument sign language did not change with the ordinance amendment, only the total building signage and only south of 105th Avenue.

Ms. Sellman reported as stated in the intent for this zoning district, this area shall reflect a common theme using compatible architectural design and consistency in signage. She said the ordinance encourages a more creative approach in development that will result in quality living environments through innovative design and aesthetic controls and ensures high standards of site design, architectural design, building materials and landscape design are achieved through design guidelines and approval.  When contemplating changes to the district, council should consider that this district is designed to stand apart from other commercial areas, featuring more stringent design guidelines that foster a higher standard of development. She reviewed the signage scenarios for the subject site, outlining what is currently permitted under the approved ordinance amendment, as well as what would be allowed if the property were located in a different zoning district. Should the council consider rezoning the property, staff recommends reviewing the Planned Business District as a potential option.

Mayor Pro Tem Robertson thanked staff for the detailed presentation on this item. She explained she was not a planning professional and she appreciated staff's candid comments on this item.

Councilmember Newland explained he recommended the first option be taken off the table. He stated the vision for the entertainment district included both sides of 105th Avenue. He was of the opinion the buildings at the corner of 105th Avenue turned out beautifully and he believed it would be unsettling to change or alter the signage for this area. He supported the council staying with its original vision for the entertainment district. He suggested if the building owner wants to push this matter further that the $1.5 million be returned.

Councilmember Fleming indicated she could support the second option because this area was separate from the remainder of the entertainment district. She discussed how signage drives patrons to businesses and noted she did not want the current businesses to fail. She discussed how the EDA money was provided to the property owner in order to drive economic development in the community. She stated she did not want the $1.5 million returned but would rather ensure these businesses were thriving.

Mayor Pro Tem Robertson stated Scooters Coffee could put up another sign right now, but the landlord would not sign off on the sign plan. Ms. Sellman reported this was the case, noting the sign plan would have to be amended.

Mayor Pro Tem Robertson explained she did not support further changing the sign code for the National Sports Village. She believed it was not good practice to keep amending sign codes. She recommended Scooters Coffee work with their landlord in order to install another sign.

Councilmember Fleming stated she was open to hearing all sides of this project. She indicated Pizza Pub/Prime was doing great, but she understood there were other tenants that were unwilling to move into this property because a monument sign or more signage was not available. She indicated she would be a no if any future 105th properties were asking for 300 square feet of signage, if it was not allowed for the National Sports Village property.

Councilmember Ford explained this project had a lot of moving pieces. He reported he could not support any additional signage for this property, nor did he want the city to continue moving the needle. He encouraged the council to consider its vision for this development, and to be open to being fluid because over time things change.

Councilmember Massoglia indicated he did not support further changes to the ordinance. He stated he would be open to a "Welcome to the 105th District"-type sign on the corner of this property with nice landscaping that could then also serve as a monument sign. Ms. Sellman commented she could discuss this further with the developer if the council supported this option.

Councilmember Ford stated he was not a fan of these types of signs because they were a traffic problem.

Mayor Pro Tem Robertson thanked staff for the feedback and candid comments. She appreciated that staff brought this item to the council for further consideration, but she recommended staff's professional recommendations be followed.

Councilmember Ford stated he spoke to the applicant and representatives from Scooters and encouraged these parties to work through the sign situation.

Councilmember Newland reiterated that he did not support changing the sign ordinance now because the district was beginning to take shape. He supported Scooters working with their landlord in order to address the sign concerns on this property.

Ms. Sellman explained she would speak with the building owner tomorrow and would let him know the council would allow 200 square feet per building per the ordinance amendment and would not be considering any further changes at this time.

## 4. Other Business

City Clerk Sorensen provided an update on the upcoming board/commission appointments which were scheduled for council consideration on March 17.

## 5. Adjournment

The workshop was adjourned at 8:42PM.

CITY OF BLAINE
L'ETOILE DU NORD
ANOKA CO., MINN.

**Signed by** ______________________
Tim Sanders, Mayor

**Signed by** ______________________
Catherine M. Sorensen, CMC, City Clerk